

FLUID MINERALS BOND PROCESSING USER GUIDE

KeywordsVII. Bonds for Gas Storage Agreements

A gas storage agreement (GSA) is authorized to allow Federal lands to be used to store natural gas during periods of excess production, whether produced from Federal or other lands, so that supplies will be available to meet peak demands. Bonding, conditioned upon compliance with the terms of the gas storage agreement, must be filed and accepted prior to approval of the GSA. Either a surety or personal bond is acceptable. The bond amount must not be less than \$25,000 and is to be based on the annual storage fee plus the estimated quarterly injection and withdrawal fees. The procedures for review and acceptance of such GSA bonds are similar to those described in Section IV, above, concerning unit operator's bonds. See Illustration 35 for an example GSA bond and Illustration 36 for a decision accepting a bond for a GSA.

GAS STORAGE
AGREEMENT BOND

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